



I&W Brine Well Update

Radioactive & Hazardous Materials Committee

September 5, 2012





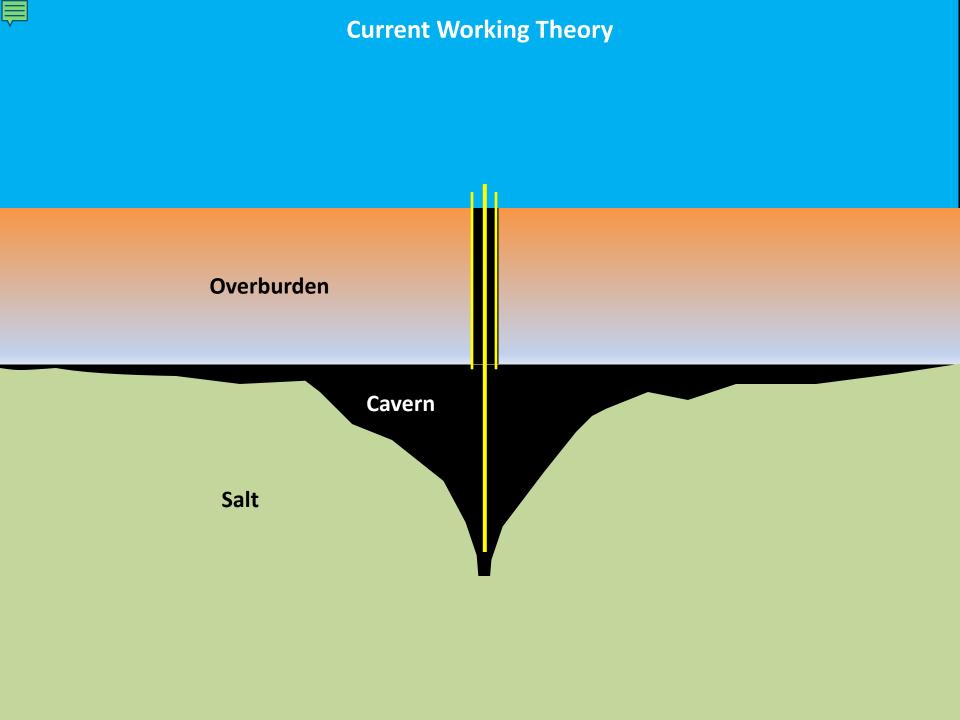






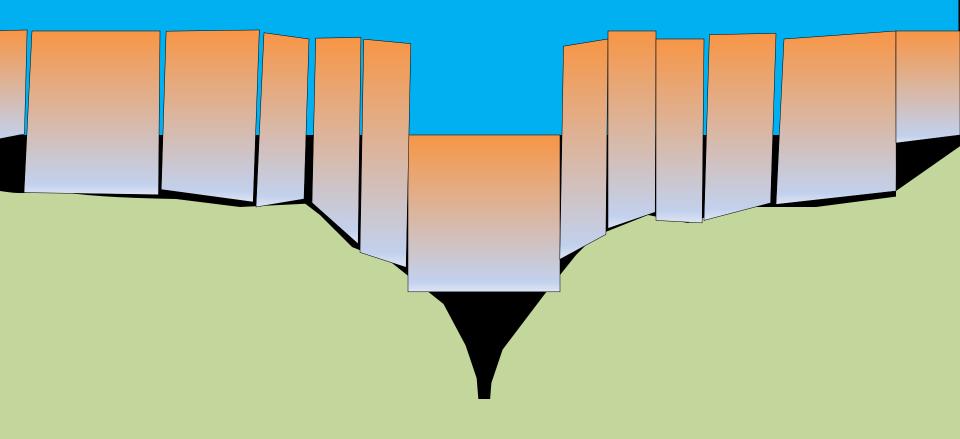


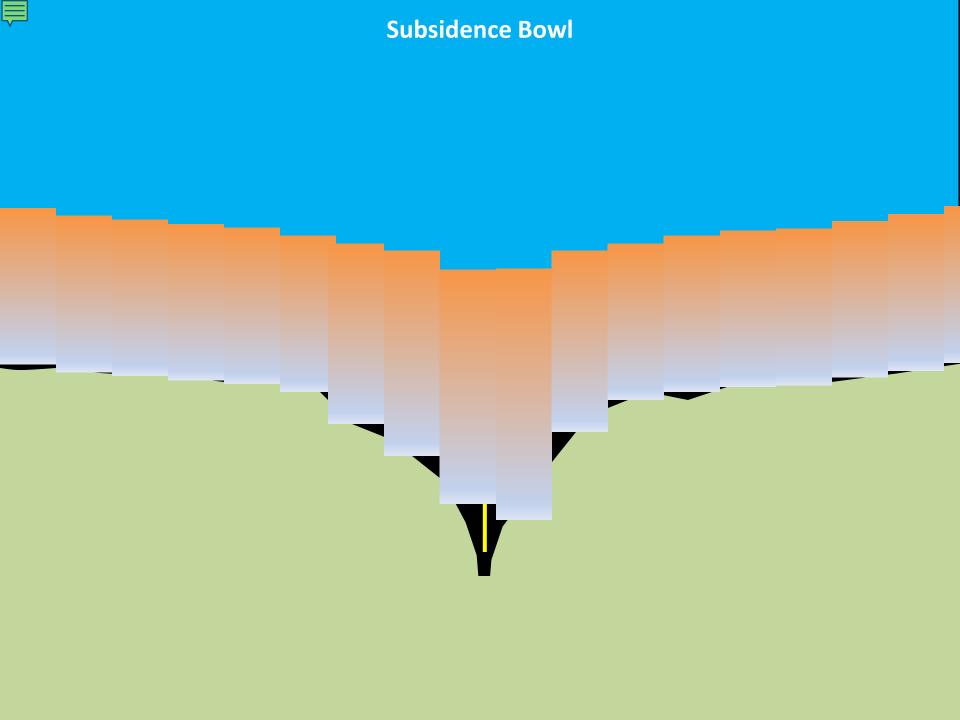




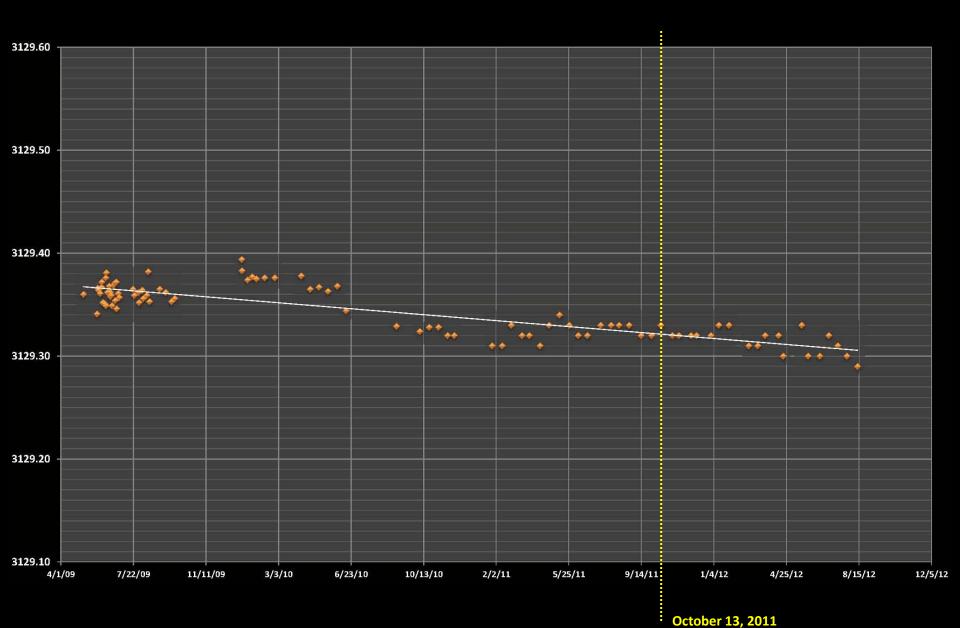
[♥]

Sinkhole with Concentric Fractures



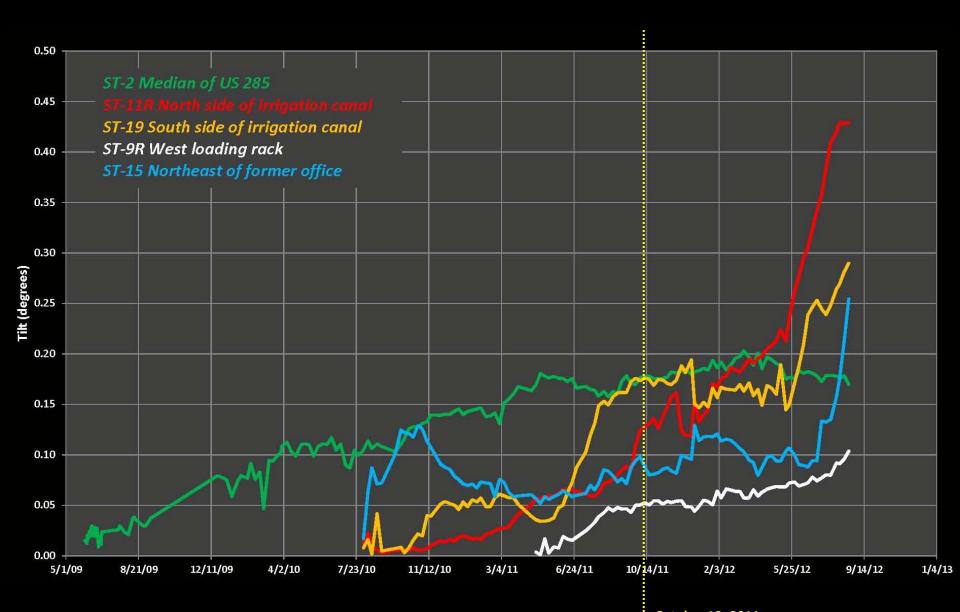


Surface Subsidence

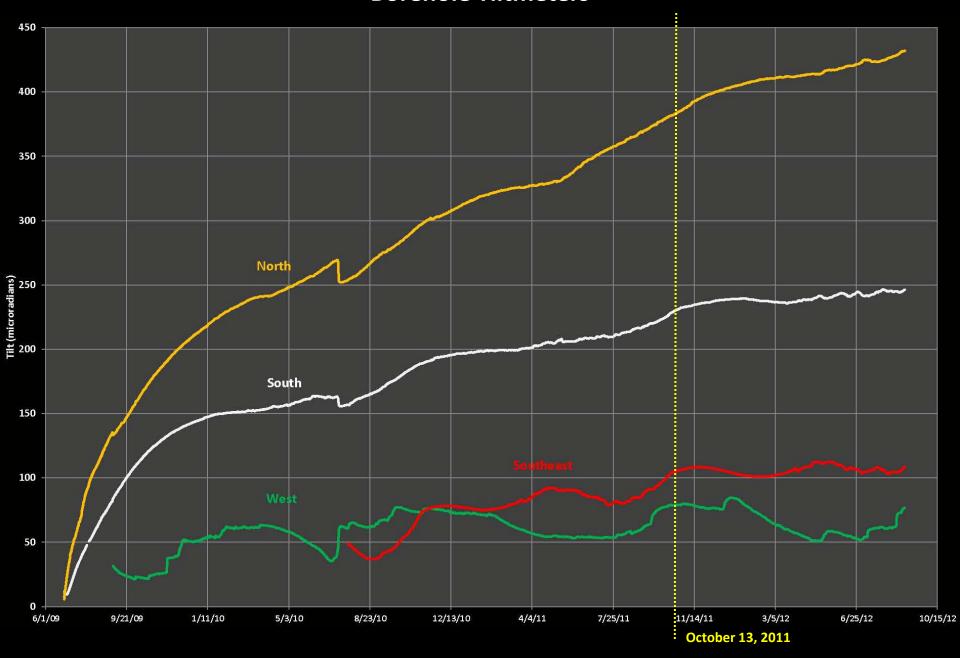




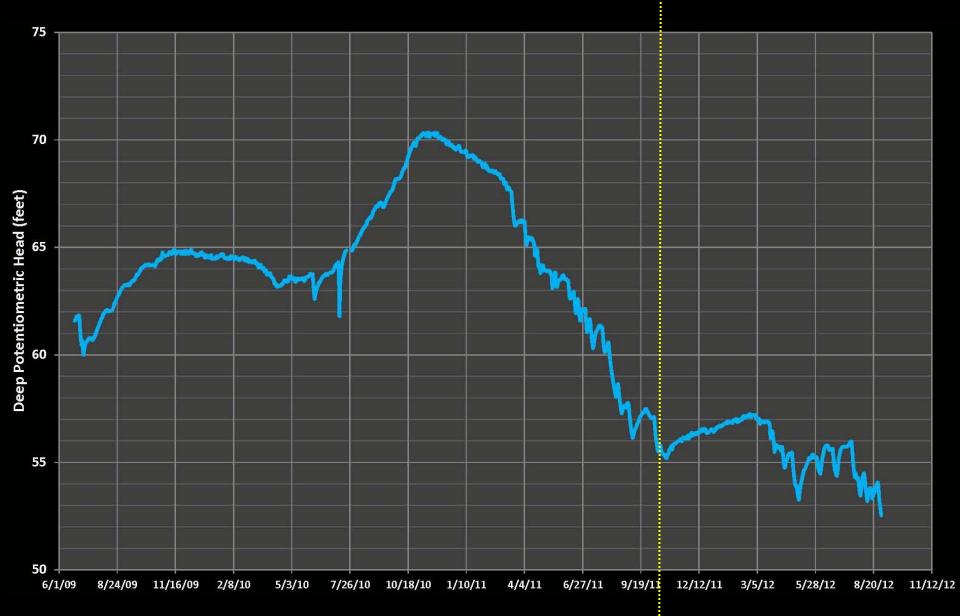
Surface Tiltplates



Borehole Tiltmeters

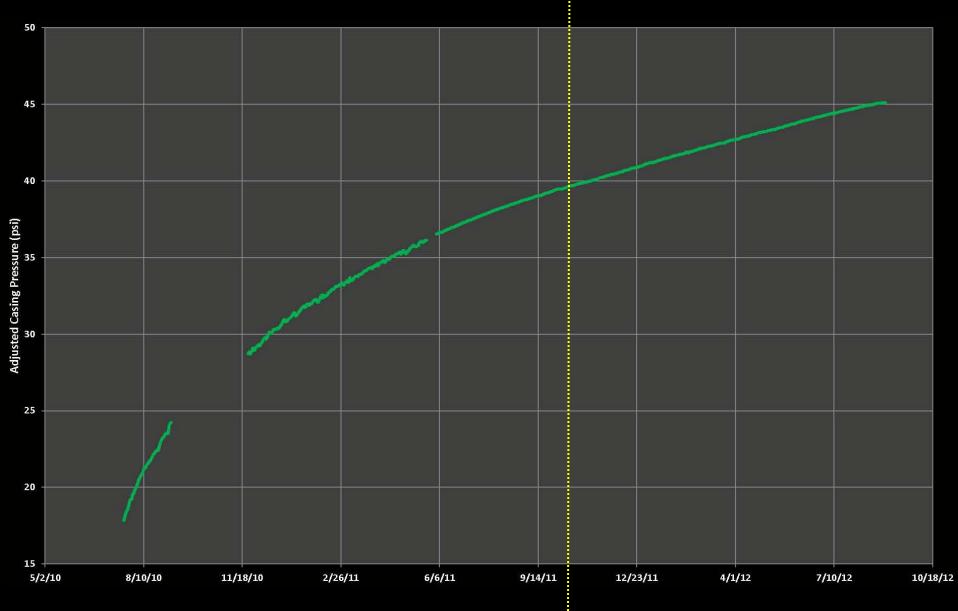


Groundwater Levels





Cavern Pressure Monitoring



Professional & Technical Services Contract

April 2012 - Request for Proposals issued by State Purchasing

May - Pre-Proposal Conference – Ten firms attended

June – Four proposals received

July – AMEC Environment & Infrastructure notified as winner

Present - Contract nearly finalized

Professional & Technical Services Contract Scope of Work

Task 1. Site Monitoring and Early Warning

Assume operational responsibility for monitoring program

Evaluation of all systems and programs

Recommend improvements

 Implement approved improvements including webcams and microseismic system

Professional & Technical Services Contract Scope of Work

Task 2. Continued Geophysical Characterization

- Repeat magnetotelluric survey on tighter grid within I&W property
- Advance and log multiple off-cavern coreholes
- Reinterpret existing seismic, magnetotelluric, resistivity, and microgravity surveys

Professional & Technical Services Contract Scope of Work

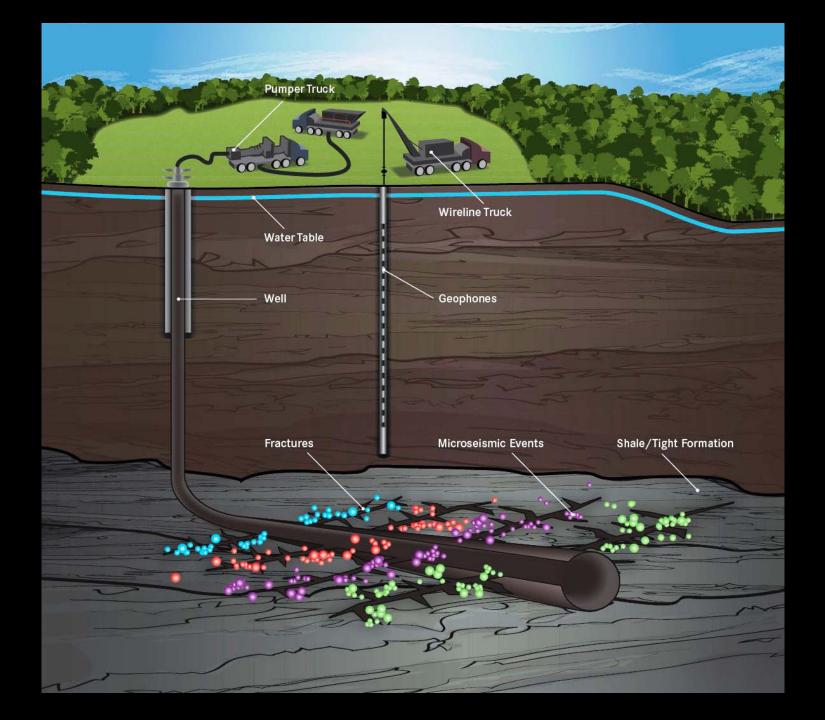
Task 3. Feasibility Study

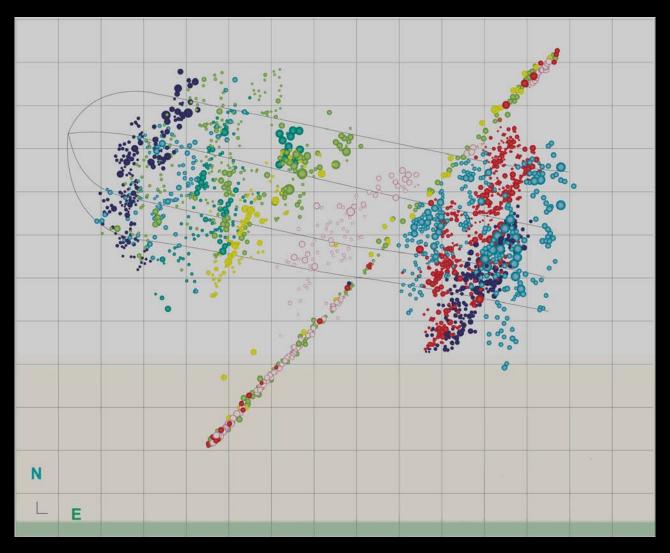
- Conduct stakeholder meetings
- The written feasibility study will include possible corrective actions evaluating the strengths and weaknesses of each along with cost estimates for implementation. The study will also include the concerns of stakeholders.

 Listening for low energy seismic noise emitted from a reservoir during hydraulic fracture stimulation

 Allows direct detection of patterns of fluid movement, fracture development, or compaction

• Passive geophone arrays monitor microseismic events in real time to potentially provide not only early warning of a significant failure in integrity, but also to develop 3-dimensional structural imaging of the cavern



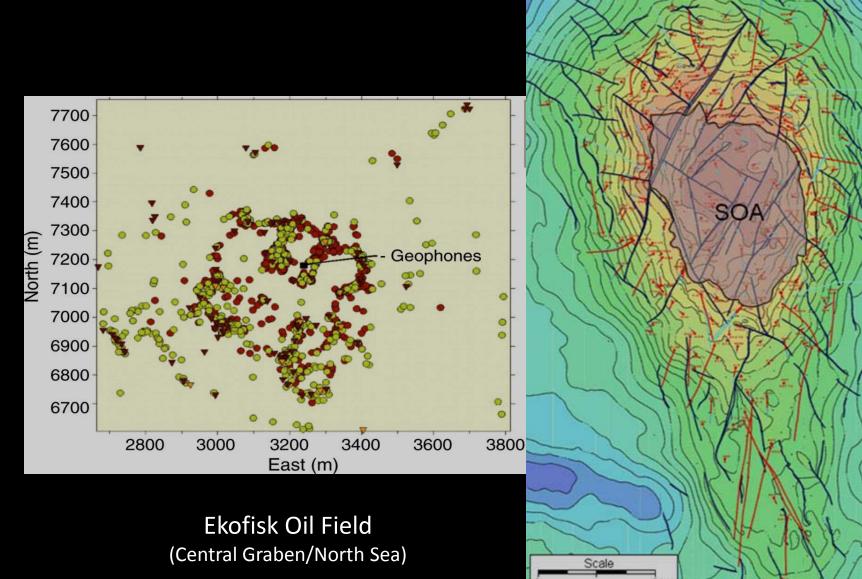


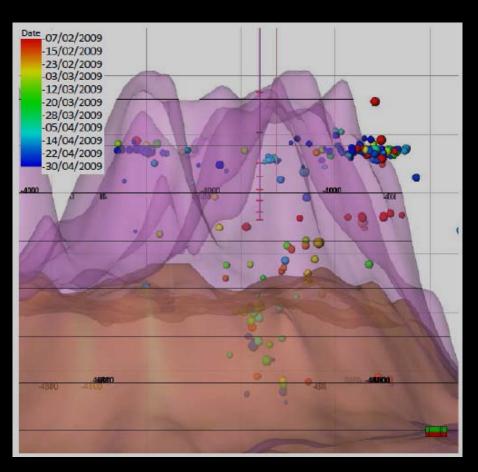
Microseismicity along existing fracture activated by frac stimulation

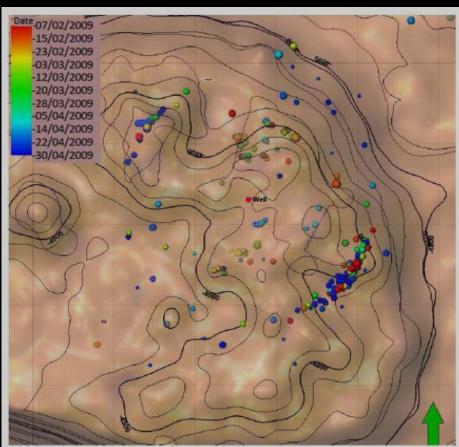












Microseismicity related to movement of sediments over a reef structure

• Enhanced degree of early warning due to the ability to locate seismic sources subsurface in three dimensions

 Indicate where failing areas of the cavern are such that remedial actions can be prioritized and are most cost-effectively directed

Quicker determination of the success of remediation



New Mexico Brine Production – 1/1/10 thru 3/31/12

